

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

**TIMOTHY KELLY,
on behalf of himself and
all others similarly situated,**

Plaintiff,

v.

Civil Action No. 3:13cv311 (JAG)

NATIONSTAR MORTGAGE, LLC,

Defendant.

REPLY MEMORANDUM IN SUPPORT OF MOTION TO SEAL

Defendant Nationstar Mortgage, LLC (“Nationstar”), by counsel, submits this Reply Memorandum in support of its Motion to Seal Exhibit 5 of Plaintiff’s Memorandum in Support of his Motion for Class Certification.¹

Exhibit 5 consists of a one-page excerpt from Nationstar’s internal procedures detailing a step-by-step process through which Nationstar, in conjunction with its third-party vendor, generates Welcome Packages sent out to borrowers whose loans are transferred to Nationstar. The flow-chart in Exhibit 5 addresses everything from boarding of the loan data into Nationstar’s computer system, its verification for accuracy, transmission to the third-party vendor, and generation and approval of the Welcome Packages. Exhibit 5 bears Nationstar’s logo and expressly states, “the information within this document is confidential and provided solely for the internal use of Nationstar Mortgage, LLC. This information is protected under copyright laws of the United States and should and may not be copied, imitated, or used, in whole or in

¹ Nationstar withdraws its Motion to Seal with respect to portions of Exhibit 6 of Plaintiff’s Memorandum in Support of his Motion for Class Certification.

part, and may not be released to any third party without the prior written approval of Nationstar Mortgage, LLC.”

In his opposition, Plaintiff blames Nationstar for being too conclusory in its description of the information Nationstar seeks to file under seal. Of course, the commercially sensitive nature of the information is precisely the reason why Nationstar is moving to file under seal in the first place, and a detailed description of the content of Exhibit 5 would undermine the entire purpose of this exercise. Loan servicing is a highly-competitive industry and depends on the servicer’s ability to automatize its processes and manage its operations in a way that permits accurate and cost-efficient handling of data for thousands of loans. Nationstar’s internal policies and procedures for generation and transmission of the Welcome Packages are its protectable trade secret, they derive their value from not being generally known to the public, and provide Nationstar with a competitive edge on the market. *Precision Franchising LLC v. Lene-Tarango*, 2011 U.S. Dist. LEXIS 90417 (E.D. Va. 2011) (company’s business procedures and methods constitute trade secrets); *Hart v. U.S. Bank NA*, 2013 U.S. Dist. LEXIS 160147 (D. Ariz. Nov. 8, 2013) (granting defendant bank’s motion to file its credit policies under seal because these policies were unique to defendant and not public knowledge). Therefore, good cause exists to grant Nationstar’s Motion to File under Seal Exhibit 5 of Plaintiff’s Memorandum in Support of his Motion for Class Certification.

NATIONSTAR MORTGAGE, LLC

By: /s/ Jason E. Manning
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CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of March, 2014, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following CM/ECF participants:

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